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## **FIXED ANNUITY BANK SALES TOTAL \$4.1 BILLION IN THIRD QUARTER 2011**

WASHINGTON — Fixed annuity sales by banks and other depository institutions generated \$4.1 billion in the third quarter, a three percent increase over the same period a year ago, according to data released today by the American Bankers Insurance Association. The sales estimates are based on findings from the Beacon Research *Fixed Annuity Premium Study*.

“Fixed rate non-MVAs account for at least two-thirds of banks’ fixed annuity sales, and these products drove overall results as usual,” said Jeremy Alexander, president and CEO of Beacon Research. “Fixed annuity rates were lower than in the same quarter a year ago, but they had a slightly larger advantage over treasuries and CDs.”

The data also indicated that quarter-to-quarter sales fell 19 percent. “Apparently, the fixed annuity rate advantage was not enough to overcome the third quarter’s very low fixed annuity rates or the market’s flight to the safety of treasuries and government guarantees,” Alexander said.

One-third of the bank channel carriers tracked by Beacon’s study reported increased sales compared to the same period last year, with 52 percent reporting improved quarter-to-quarter results. Western National maintained its position as the leading bank channel company among study participants. Genworth jumped four notches from the prior quarter to come in second while Symetra remained in third place. Great American and Lincoln Financial Group traded places to come in fourth and fifth, respectively. Third quarter 2011 bank channel results for the five leading companies were as follows:

<b>Company Name</b>	<b>Bank Channel Sales (in thousands)</b>
Western National Life	1,281,449
Genworth	369,027
Symetra Life	363,149
Lincoln Financial Group	248,820
Great American Financial Resources, Inc.	245,547

Symetra’s Custom 7 moved up two places to become the leading bank channel fixed annuity. Lincoln Financial Group’s New Directions – the only top-five indexed annuity – jumped two notches to come in second. Western National was the only company with more than one top-five product: Proprietary Bank Product A and Flex 7 took third and fifth place, respectively. Genworth rejoined the top  
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five with SecureLiving Advantage Pro coming in fourth. The third quarter's leading bank-sold annuities were as follows:

Rank	Company Name	Product Name	Product Type
1	Symetra	Custom 7	Fixed Rate Non-MVA
2	Lincoln Financial Group	Lincoln New Directions	Indexed
3	Western National	Proprietary Bank Product A	Fixed Rate Non-MVA
4	Genworth	SecureLiving Advantage Pro	Fixed Rate Non-MVA
5	Western National Life	Flex 7	Fixed Rate Non-MVA

The third quarter's average interest guarantee period (IGP) for bank-sold fixed rate non-MVAs declined to 3.2 from 3.6 years in second quarter – about the same as in the market as a whole. But banks and the overall market moved in different directions on fixed rate MVAs. The average IGP in banks dropped a bit – to 7.6 from 7.8 years. In the market as a whole the IGP increased to 6.5 from 6.2 years.

“This was probably a function of differences in products marketed by banks versus other distribution channels,” said Alexander.

	Average Interest Guarantee Period (in years)	
	Banks	All Channels (Total)
<b>Fixed Rate Non-MVA</b>		
Q3 2011	3.2	3.1
Q2 2011	3.6	3.6
<b>Fixed Rate MVE</b>		
Q3 2011	7.6	6.5
Q2 2011	7.8	6.2

### ***About the American Bankers Insurance Association***

*The American Bankers Insurance Association is the separately chartered insurance subsidiary of the American Bankers Association and is the only Washington, D.C.-based full service association for bank insurance interests. ABIA's mission is to develop policy and provide advocacy for banks in insurance and to support bank insurance operations through research, education, compliance-assistance and peer group networking opportunities. ABIA membership consists of banks, and their affiliated agencies, insurance companies, marketing, and administrative services suppliers, non-bank lending organizations and other firms involved in the bank affiliated insurance industry. Additional information on ABIA can be found on the Internet at [www.theabia.com](http://www.theabia.com).*

### ***About Beacon Research***

*Beacon Research is an independent research company and application service provider founded in 1997 and based in Evanston, IL. Beacon tracks fixed and variable annuity features, rates and sales. Its quarterly Fixed Annuity Premium Study is the first and only source to analyze fixed annuity sales at the product level. Beacon lowers compliance risk and increases fixed annuity sales with 100% carrier-approved, comprehensive product profiles, spreadsheets and search tools for the advisor/rep websites of banks, TPMS, broker-dealers and marketing organizations. Financial institutions use its systems at [www.annuitynexus.com](http://www.annuitynexus.com) for compliance review of 1035 exchanges, sales support, conservation and product research. Beacon also licenses information to other platforms, including Ebix, Ibbotson, Insurance Technologies, and Interactive Data Corporation. Beacon is a member of*

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